American Energy Corp., Century Mine Page 3

The Permit to Install (PTI) application that AEC submitted for the existing slurry pipeline (which was submitted as "As Built") is not approvable. It is recommended that AEC withdraw the PTI application immediately. If it is not withdrawn, the Ohio EPA will be forced to disapprove it. A new PTI may be submitted for review and approval that includes information from the above studies shown to prevent future pipeline failures and spills.

Due to the seriousness of these violations, and the fact that this is the second spill since the pipeline was installed in 2002, DSW Southeast District Office is recommending enforcement action be taken against American Energy Corporation.

Please submit the incident report requested above within 14 days of the receipt of this notice of violation. In your response, also provide dates for the commencement and completion of the pipeline evaluation and submission of the report, and address the status of the Permit to Install. If there are any questions, please contact me at (740) 380-5284.

Sincerely,

Ms. Abbot Stevenson
Environmental Engineer
Permits and Enforcement Section
Division of Surface Water

AS/dh

- c: Dave Clark, ODNR, DMRM
- c: Bill Fischbein, Ohio EPA, Legal, CO
- c: Martha Horvitz, Ohio EPA, Legal, CO
- c: Craig Butler, Chief, Ohio EPA, SEDO
- c: AS file